

FLIP  
84

INFORMATION REPORT INFORMATION REPORT  
CENTRAL INTELLIGENCE AGENCY

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

~~S-E-C-R-E-T~~

COUNTRY	Hungary	REPORT NO.	<input type="text"/> 50X1
SUBJECT	Budapest Electro-Mechanical and Cable Factory	DATE DISTR.	21 June 1955
DATE OF INFO.	<input type="text"/> 50X1	NO. OF PAGES	14
PLACE ACQUIRED	<input type="text"/>	REQUIREMENT NO.	RD
DATE ACQUIRED	<input type="text"/>	REFERENCES	<input type="text"/> 50X1

SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

SOURCE:  50X1

50X1

~~S-E-C-R-E-T~~

50X1

STATE	X	ARMY	X	NAVY	X	AIR	X	FBI	X	AEC	X		
-------	---	------	---	------	---	-----	---	-----	---	-----	---	--	--

(Note: Washington distribution indicated by "X"; Field distribution by "F")

INFORMATION REPORT INFORMATION REPORT

SECRET

50X1

REPORT NO. [REDACTED]

50X1

COUNTRY Hungary

DATE DISTR. 27 May 1955

SUBJECT Budapest Electro-Mechanical and  
Cable Factory

NO. OF PAGES 13

50X1

DATE OF INFORMATION [REDACTED]

REFERENCES: [REDACTED]

50X1

PLACE ACQUIRED [REDACTED]

50X1

THIS IS UNEVALUATED INFORMATION

SOURCE [REDACTED]

The Budapest Electro-Mechanical and Cable Factory (Budapesti Villamosgép és Kábelgyár - BVK), formerly known as "Magyar Siemens" and presently the second largest of its type in Hungary, was taken over by the Soviets after World War II. (See page 9 for a pinpoint location and page 13 for a chart of the organization of the plant.) Until 1 October 1952, it was administered by USIV, the Directorate for Soviet Property Abroad under GUSIMZ, and had a Soviet general director and chief bookkeeper. In October 1952, USIV was dissolved and the plant was returned to the Hungarian Government for approximately 65 million forints.

50X1

[REDACTED] The factory management has always been entirely civilian. During the period of Soviet management, there were no apparent MVD/MGB connections. As a rule, Soviet factory directors in Hungary were not approached by either the MVD or MGB for information about employees, for aid in obtaining confessions, or for interrogation purposes.

50X1

György Gazdik was appointed [REDACTED] to be Hungarian Director of the plant and he remained in that capacity until the end of 1951 or the beginning of 1952, at which time he was recruited to be deputy for industry to the Minister of Internal Affairs with responsibility for directing investigations into sabotage in plants. Gazdik lived in the USSR from 1917 until 1947, when he returned to Hungary. He graduated from a technical institute in Moscow as a mechanical engineer. As a member of the Hungarian Communist Party, he was very useful as a liaison man between the workers of the plant and the Hungarian CP, on the one hand, and the Soviet general director on the other. During the period that the plant was operated by the Soviets, the Hungarian Director had no responsibility for the operation of the plant, except what might be delegated to him by the Soviet general director. Since all of his background was in the field of mechanical engineering, Gazdik was extremely reluctant to accept the job with the Ministry of Internal Affairs; however, he was forced to do so. From the time that Gazdik left the job of Hungarian

50X1

SECRET

SECRET

- 2 -

50X1

Director until Mihály Parkas, formerly Technical Director of the plant, took it over in October 1952, several other individuals, [redacted], held this position.

### General Production

50X1

Before World War II, the factory produced small motors, generators, cables, insulated wiring, various electrical apparatus, and assembled and sold German Telefunken radios. During the war, it made cables and generators. Since the end of the war, it has produced small motors, cables, insulated wiring, electrical apparatus, magnetic insulators, starters, oil starters, rheostats, voltmeters, ammeters, industrial electric stoves, X-ray cameras, and cast iron molds.

50X1

### Plant Expansion

50X1

[redacted] according to these plans, the factory would be able to produce one billion forint worth of products each year. Although the expenses for this expansion were to be paid by the Soviets, the Hungarian representatives had to approve them. The following buildings were constructed after World War II.

Buildings 3, 4, 5, 6, and 7 were begun near the end of 1950. Building 9, half of building 11, and the second stories of buildings 10, 12, and 13 were finished in 1951. Buildings 14, 15, 16, 17, 18, and 19 were finished in 1952.

(See page 10 for the pinpoint location of the above buildings.)

See page 10 for a [redacted] sketch of the Budapest Electro-Mechanical Factory with the following points:

50X1

1. Factory administration building, a brick and stucco three-story building, 40x20x15m, with a sheet iron, low-pitched gable roof.
2. Factory administration building, a brick and stucco three-story building, 25x12x15m, with a tile gable roof. The polyclinic was located on the first floor and the other two floors were used for supply storage.
3. A sport room, built of brick, a one-story building, 8x4x4m, with a tile shed-type roof.
- 4a. Apparatus shop building, built of reinforced concrete girders filled in with brick and stucco. The building had two stories and was 40x12x10m; it had a reinforced concrete shed-type roof. An office and supply room were on the first floor and the Construction (Apparatus) Branch occupied the second floor.
- 4b. Apparatus shop building, built of reinforced concrete girders filled in with brick; a one-story stuccoed building, 40x16x8m, with a reinforced concrete shed-type roof. Glass skylights were located on the entire area of the roof. This building had the following types of machines: (1) two 5-ton cranes; (2) turning lathes: maximum size of three meters between centers and 250mm center height; (3) horizontal planing machines up to 500mm moving distance; (4) milling machines with a plate size of 700x300mm; (5) radial-boring lathes with drill diameters of 25mm; (6) 400-ton eccentric press; and (7) various table drill lathes, small presses, and revolving automatic machines for making nuts, bolts, etc.

SECRET

SECRET

- 3 -

5. Electro-stove shop, a building of reinforced concrete and brick; it was a one-story building, 32x22x8m, and had a reinforced concrete shed roof. Machines in this building were: (1) one 10-ton crane; (2) iron-cutting scissors and apparatus; and (3) various types of welding apparatus.
6. Supply storage built of reinforced concrete and brick; a one-story building, 80x22x8m, with a reinforced concrete shed-type roof. There was no machinery located here, only numerous shelves for finished products and a small office for the supply man. Raw materials were also stored here.
7. Dining hall, a reinforced concrete and brick one-story building, 42x22x8m, with a reinforced concrete shed-type roof. The dining hall had a capacity of about 600 persons. There were three shifts during meal hours.
8. Raw material storage built of steel columns. It had a shed-type roof with asbestos-type roofing. This storage section was not actually a building but more of an open shed or port, 58x16x3m. There was an industrial-type wire fence, approximately 2m high, surrounding the area.

See page 11 for the layout of Point 9.

- 9a. A shop building of reinforced concrete and brick; it was two storied, 100x22x10m, and had a reinforced concrete shed roof. The first floor had showers and dressing rooms for workers while the second floor had a production section, technology branch, service branch, and norm branch.
- 9b. A reinforced concrete and brick one-story building, 100x48x12m, with a glass skylight on a gabled roof. Machines in this building were: (1) two 20-ton cranes; (2) six 1 to 1½-ton cranes on the sides; (3) two turning lathes made by Skoda; maximum size of 8m between centers and 1200mm center height; (4) one circular stamping lathe in the above size, also made by Skoda; (5) vertical boring and turning lathes with a plate diameter up to 2m; (6) radial drill lathes with a maximum drill diameter of 50mm; (7) three planing machines, 3x1m; (8) transverse planing machines with a spindle movement up to 700mm; (9) various drill lathes, table lathes, and manual lathes; (10) turning lathes of medium sizes like those in the other shops; (11) milling machines of the same sizes as those in the other shops; (12) boring machines with a spindle diameter up to 85mm; (13) special technological lathes which required one two-step operation; (14) winding benches of various sizes; (15) hydraulic presses from 5 to 200 tons; one 200-ton press and others which were 25 and 50 tons each (source does not know how many); and (16) a saturation section with drying stoves and a testing station.
- 9c. A small motor shop, built of reinforced concrete and brick; it was one story, 100x32x10m, and had a shed-type glass roof. This shop had all the machinery necessary to complete work on small motors. Machines in this shop were: (1) two 1½-ton cranes; (2) turning lathes with a maximum of two meters between centers and 200mm center height; (3) four vertical boring and turning machines with plate diameters of one meter and 900mm (two of each size); (4) approximately four revolving automatic machines with plate diameters up to 24mm; (5) various drills up to 20mm bore; (6) about four hydraulic presses up to 20 tons each; (7) two slot-milling machines; (8) two circular polishing machines with 1m between centers and a 150mm center height; (9) two surface grinding machines of unknown size; (10) various winding benches of unknown size; (11) drying stoves and a saturation section; (12) an instrument shop which occupied an area of 35x13m where various instrument lathes were located; and (13) a paint shop which occupied an area of 21x18m.

SECRET

SECRET

- 4 -

- 9d. A shop building of reinforced concrete and brick; it had four stories, was 98x20-34x25m, and had a reinforced concrete shed-type roof. There were two cranes, three and five tons, capable of traveling the entire length of the building.
- (a) A stamping shop, located on the first floor, had an unknown quantity of various eccentric presses from 1 to 250 tons, phase-stamping machines, and five or six types of metal cutting shears for various thicknesses of sheet metal and rods.
  - (b) The mechanical repair shop had: (1) maximum-sized turning lathes, 3m between centers and 300mm center height; (2) a circular polishing lathe, 2m between centers and 150mm center height; (3) a flat polishing lathe, a magnetic size of 1200x400mm; (4) table-sized milling machines, 1200x400mm (three of this type lathe); (5) various drills with diameters up to 30mm; (6) a boring machine: diameter of spindle, 85mm; (7) two vertical boring and turning machines with a plate diameter up to 1½m; and (8) various other machines of smaller sizes.
  - (c) A radio shop, located on the 2d, 3d, and 4th floors, had its own mechanical shop with small jewelers turning lathes and small presses. The rest of the area was occupied by the winding shop and assembly shops. The second floor had the radio shop's laboratory and offices. The third and fourth floors were occupied by the drafting section (Construction Branch).
- 0a. The braiding shop, built of brick and stucco, was one story high, measured 20x12x4m, and had a reinforced concrete shed-type roof. This shop had various machines for braiding electric wires.
- 0b. The cable shop, built of reinforced concrete and brick, was one story high, measured 100x88x6-10m, and had a low-pitched glass gable roof. Machines in this building were: (1) two lead presses, 500 kg and 250 kg of lead each; (2) two five-ton cranes; (3) about ten smaller cranes; (4) various cable machines, various lathes, and other machines to twist insulated cables (source does not remember the sizes or types of these machines). A boiler-impregnating shop, a testing station, a wire-drawing shop, a rubber shop, and an insulated wire section were also in this shop. (See page 12 for the layout of 10b, c, and d.).
- 0c. Supply and rubber shop, built of reinforced concrete and brick, was one story high, measured 32x20x6-10m, and had a low-pitched glass gable roof. Rubber was prepared here for use in cable insulation. Equipment consisted of vats for mixing raw rubber with potash, ovens, and other drying and mixing apparatus. There was also a supply area for storing raw materials and some finished products.
- 0d. U-boxes and control panel shop, a reinforced concrete and brick two-story building, 68x27x12m, with a reinforced concrete shed-type roof. The first floor was occupied by the U-box and control panel shop which had the following machines: (1) milling and planing machines (no sizes or numbers known); (2) drills (no sizes or quantities known); and (3) two 1½-ton cranes. The second floor was occupied by a section which produced enameled wiring and other products relative to the cable shop. The machines here included braiding machines, drying and enameling apparatus, and ovens.
1. X-ray shop, a building of reinforced concrete, brick, and stucco; it was seven or eight stories high, 128x24x21m, and had a very low pitched shed-type roof. The entire building was used for the production of X-ray apparatus. Although there were a few lathes and machines, much of the work was done by hand. Source believes that the Hungarians moved this shop to another place for fear of concentrating too many things in one area. He did not know the norms, production figures, or types of machines in this shop. Most of the machines were for industrial purposes, but about three or four were for medical purposes. 50X1  
 it was possible that all the machinery in this shop came from a shop which had formerly belonged to Siemens.

SECRET

CONFIDENTIAL

- 5 -

12. The entry building, 7x4x3m, was brick and stucco, one story high and was constructed of reinforced concrete; it had a shed-type roof. All workers had to pass through this building to enter the factory and had to punch a clock. They also punched a special machine that rang at irregular intervals; when this machine rang, the worker who had punched it was required to step into the office and be searched.
13. Temporary pass building, a wooden one-story building, approximately 7x4x3m; source did not remember the roof construction. Temporary visitors' and workers' passes were obtained here.
14. The explosion chamber was built of reinforced concrete, was one story high, and measured 16x14x4m. It had a very low reinforced concrete pitched roof. The "L" part of this building was used for offices and dressing rooms. The chamber contained various apparatus to measure the quantities and pressure of gas.
15. A temporary storage built of adobe brick. This storage was one story high and measured 85x28x4½m. The roof was gabled and made of asbestos. Various items were stored here.
16. A carpenter shop, built of reinforced concrete and brick, was two stories high and measured 65x30x10m. It had a reinforced concrete shed-type roof which was very low pitched. Woodworking equipment consisted of saws, lathes, etc. This shop constructed mock-ups, various models, cable drums, packing crates, etc.
- 17a. A reinforced concrete and brick garage, 50x16x4½m, was one story high. It had a reinforced concrete shed-type roof and had a capacity of 20 to 25 automobiles and/or trucks.
- 17b. The garage and fire depot was of reinforced concrete and brick, had two stories, and was 16x15x8m; it had a reinforced concrete shed-type roof. The first floor had manual-type pump wagons. Firemen had sleeping quarters on the second floor. Fire engines had been ordered but had not yet been received. Twenty-seven persons were employed in the fire depot. All hand pumps were in the depot.
18. The casting shop, 120x90x15m, was not completed. The part of the building to be used for offices was to have two stories while the rest of the building was to have one story.
19. The supply storage was a one-story reinforced concrete building, 100x30x5m, with a slate roof. Source did not remember construction of the roof. This building was used for the storage of raw materials.
20. The pass building was of the same construction as points 12 and 13 above. This building was not used and the entry was locked to everything except the railroad cars.
- 21.)
- 22.) Single track railroad spurs which lead into the factory.
23. A wooden fence, 2.5m high surrounded the factory grounds.

#### Shifts, Labor Force and Wages

The factory operated on three shifts, 0700-1500, 1500-2300, and 2300-0700 hours. The first shift was the largest, the second shift had less workers, and the third fewer still. One-half hour was given for lunch.

CONFIDENTIAL

CONFIDENTIAL

50X1

- 6 -

The total number of workers was 4,200; approximately 600 women worked on all three shifts. Technical inspectors comprised about six and a half or seven per cent of the total number of workers. There were approximately 400 administrative personnel.

Monthly wages were as follows:

	Monthly (Approx)
Soviet director.....	6600 forints
Hungarian director.....	4200 "
Highly-skilled specialists.....	2500 - 3000 forints
Engineers.....	1000 - 2500 "
Stakhanovite workers.....	up to 2500 "
Office workers.....	700 "
Laborers.....	600 "(average)

### Production Norms

The monthly production norms for each shop were as follows:

1. Cable shop.....	12,000,000 forints
2. Small motor shop.....	6,000,000 "
3. Large motor and generator shop.....	7,000,000 "
4. Radio shop.....	4,000,000 "
5. Apparatus shop.....	4,000,000 "
6. Distributing panels and housings.....	2,000,000 "
7. Electro-stove shop.....	3,000,000 "

The total production was approximately 38,000,000 forints monthly. Although the 1952 Plan called for the plant to produce 420 million forints' worth of goods, it produced 460 million forints' worth of goods in 1952.

### Specification of Produced Items

The items produced at the plant were the following:

- a. Electro-motors (AC) from one-half kilowatt to 4,000 kw.
- b. Generators (AC) 5 kw to 8,000 kw.
- c. Generators (DC) 5 kw to 2,000 kw.
- d. Explosion-proof motors (AC), and explosion-proof exciters, and plug-in equipment; motors were 200 kw.
- e. Cast iron housing boxes for electric current distribution.
- f. Crane motors (AC), starting apparatus, rheostats.
- g. High voltage disconnectors, one-phase and three-phase.
- h. Magnetic starters (overhead relays).
- i. Control panels for electro-stations.
- j. Ammeters, voltmeters, megometers, wattmeters, Wheatstone bridges, Hertz frequency meters, impedance apparatus, and limit switches.
- k. Radios: Telefunken and Siemens.
  - (1) Three-tube American-type with metal tubes.
  - (2) Four-tube with glass tubes produced in Hungary.
  - (3) Six-tube "Radiola" with glass tubes; this was a radio-phonograph combination.
  - (4) Radio transmitters and receivers, type B-52. In 1952, this factory made approximately 100 sets of this model for the army.
- l. Amplifiers and loudspeakers.
- m. The cable shop made the following items: insulated cords and cables, wire, powerline cables, marine cables, underground communication cables, flexible cables, FF cables, and cables for distant communications with as many as 72,142 leads.
- n. The casting section made ingots and housings for generators and motors.
- o. Manual type generators operated by pumping.

CONFIDENTIAL

SECRET

50X1

- 7 -

- p. Wooden drums on which to wind cable and carts to transport the drums.
- q. Industrial electric stoves for tempering instrument, for smelting gold, silver, and other metals, and for "softening" metals, i.e., brass for cartridges.
- r. X-ray apparatus primarily for industrial purposes with very few for medical purposes. There was a great deal of difficulty in obtaining x-ray tubes.

#### Raw Materials, Supply, and Transportation

1. The system of raw material supply to factories in Hungary was similar to that in the USSR with its state supply agencies. The factory received all of its materials from supply depots in Budapest but [ ] not know 50X1 their locations. There was as much difficulty in obtaining supplies in Hungary as there was in the USSR. The factory received its aluminum from six aluminum combines located 95 km from Budapest, near the Czech border.
2. Two railroad spurs led into the plant, one to the casting shop and one to the plant in general. Approximately 90 per cent of the raw materials used were brought in by railroad and about 10 per cent by auto transport. Water transport was not utilized. Raw materials were never received from the USSR.
3. The most important raw materials received by the factory were the following: copper, aluminum, steel, cast iron, about 1,000 different types of insulating materials, raw rubber, lead, and synthetic rubber. Source did not know the quantities of each raw material received. Of the above materials, lead was the most difficult to obtain.

#### Plant Security

4. A wooden fence 2.5m high surrounded the factory area and the factory guards were not armed. Although there were two entries, only one was used by the workers; the other was opened only to admit railroad cars. The pass control system was very strict. Passes were approximately 4x3 inches and bore a photograph of the bearer in the top left corner. There was only one type of pass, which was supposedly issued to be used permanently but was actually changed often. If anyone lost his pass, he had to report to the personnel section to explain the circumstances of the loss. He was verbally reprimanded there and then issued a new pass. If a person repeatedly lost his pass, he was fired. Any visitor to the plant had to have ministerial permission and could enter the factory for business purposes only; he was accompanied to and from any section he visited. The numbers of lost passes and passes of workers no longer employed at the plant were given to the Pass Control Office at the entry and were declared invalid.

#### Working Conditions

- Working conditions were better than those in many USSR plants and in most Hungarian plants. Workers were "patriotically" or "sentimentally" attached to the plant and management-worker relations were generally good; however, workers disliked all Party functionaries. The workers received two weeks paid vacation each year. The plant maintained its own resort, approximately 150 km from Budapest on Lake Balaton, which accommodated 75 to 100 persons at one time. When a worker was late four or five times, he was fired.

#### Medical Care and Workers' Health

- Medical facilities were good and the factory had its own clinic for dentistry, surgery, women's diseases, and eyes; however, the workers were very healthy.

SECRET



50X1

~~CONFIDENTIAL~~  
- 8 -

Before 1952, a typical workers' lunch consisted of: one liter of wine, one-half kilogram of bacon fat, and one-half loaf of bread brought from home.

### Plant Sports

7. Sports were greatly developed at the factory and there were 16 soccer teams. The "first" team did not work although, officially, they were supposed to and were carried on the payroll as workers. Soccer games were held after work in the factory's stadium. The workers also participated in basketball, swimming, volleyball and other organized sports.

### Communist Indoctrination and Demonstrations

3. Before 1950, all Communist Party meetings, debates, movies, demonstrations, and concerts were held during working hours. Workers were paid bonuses for participating in the demonstrations and, in addition, were fed by mobile food vans. Usually, the workers had free food and drink and then left just before the demonstration began. After 1950, the food vans and bonuses were discontinued, roll-call was taken, and all the workers were marched to the scene of the demonstration.

50X1

### Sabotage

2. [redacted] did not know of any cases of "outright" sabotage, several people in the plant were suspected of purposely making defective products.

50X1

50X1

~~CONFIDENTIAL~~  
**SECRET**

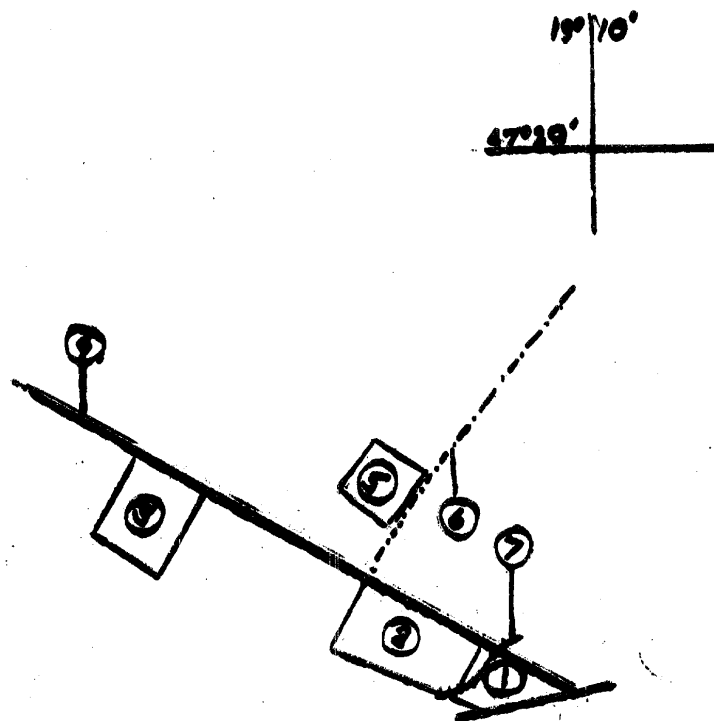
50X1

CONFIDENTIAL

- 9 -

inpoint location of Budapest  
Electro-Mechanical and Cable Factory

overlay of US TCM Series 25  
251-9997-3-25M Budapest



# LEGEND

1. A petroleum refinery, an old building of pre-World War II construction, which employed from 70 to 100 workers.
2. Budapest Electro-Mechanical and Cable Factory.
3. Radiator Gyar, a cast iron foundry and boiler works which produced cast iron and rolled steel radiators for domestic heating. The boilers were up to three atmospheres of pressure.
4. Gyomroi ut, constructed of tile brick, in good condition, and with moderate traffic; it was 20 m wide.
5. A brick works.
6. An overhead high-tension line of 35 kv with metal posts which crossed Gyomroi ut at the point indicated.
7. A railroad spur which appears on the map but which source claims does not exist.

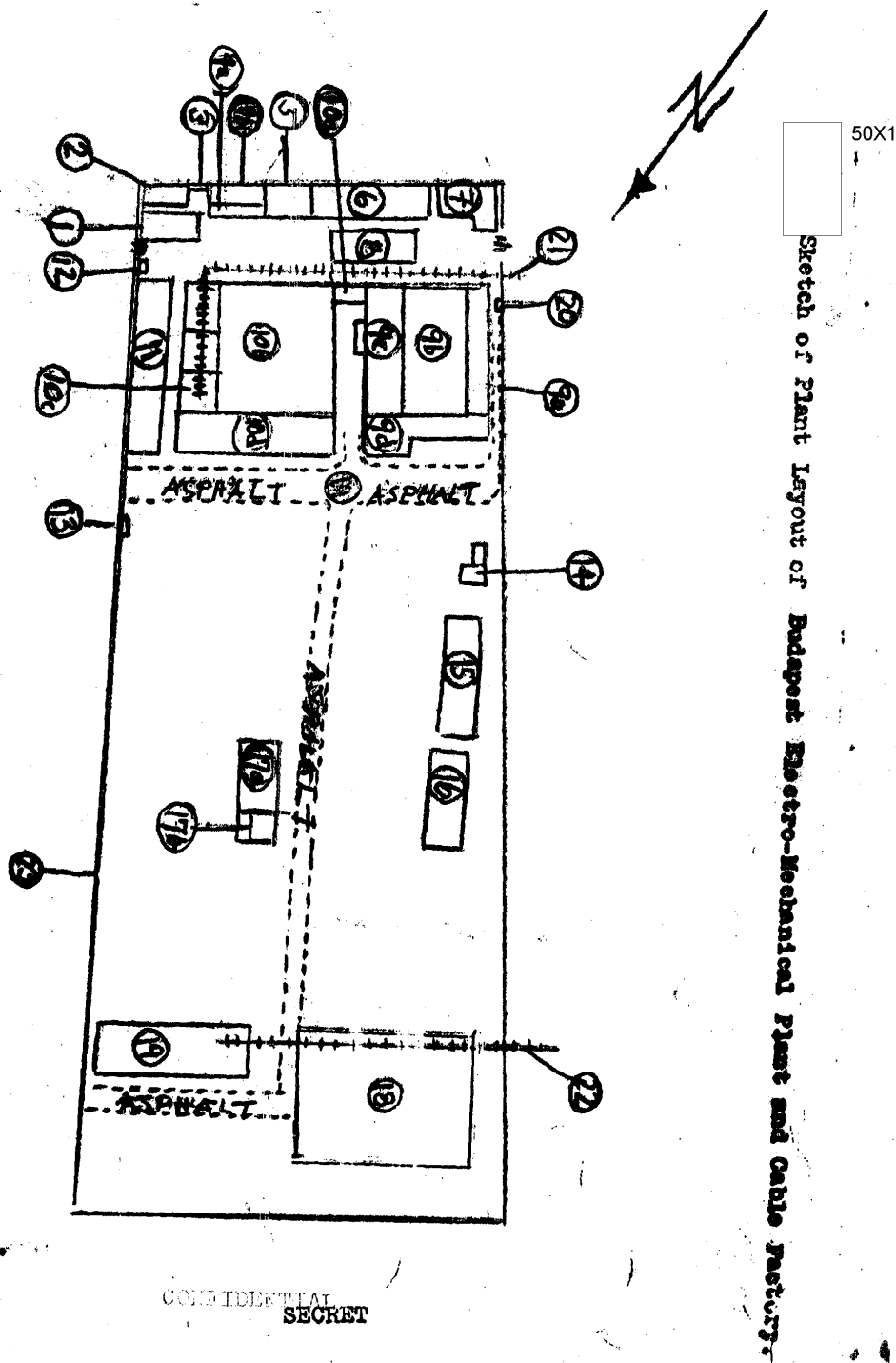
CONFIDENTIAL

SECRET

SECRET

-10 -

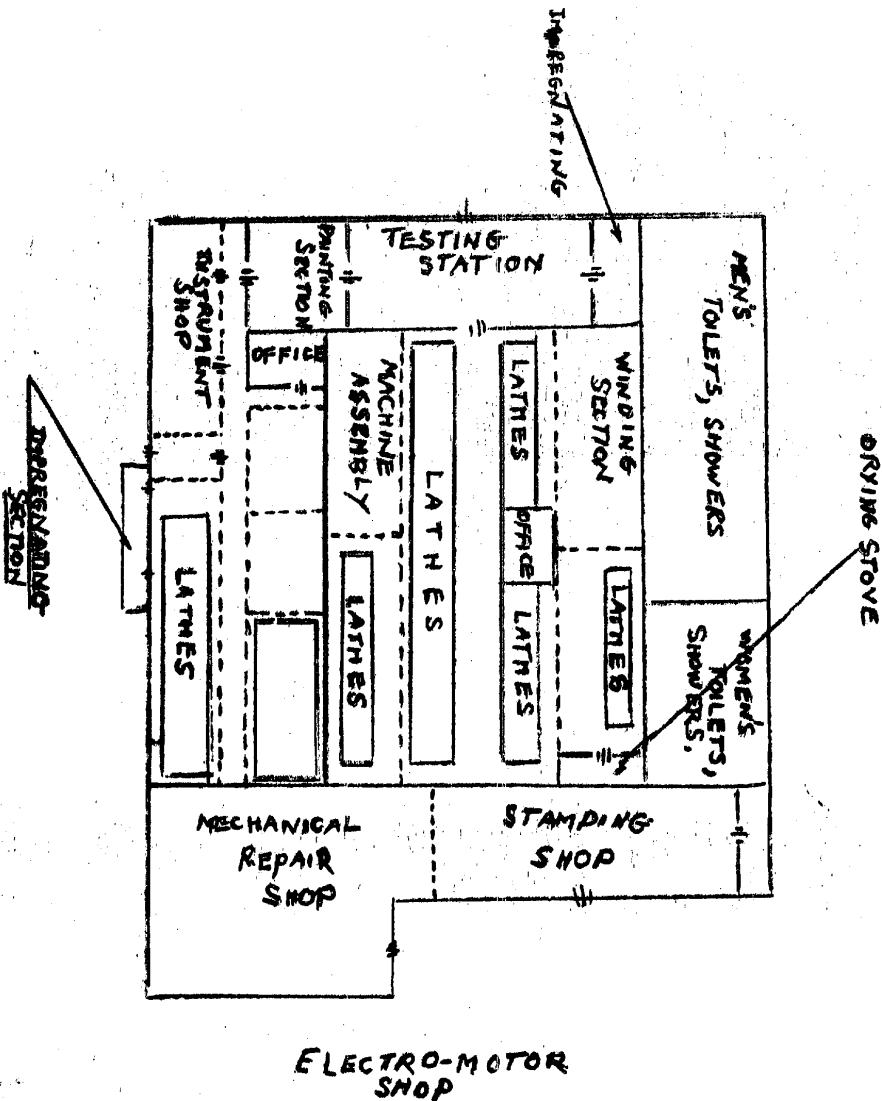
50X1



SECRET  
CONFIDENTIAL  
- 11 -

50X1

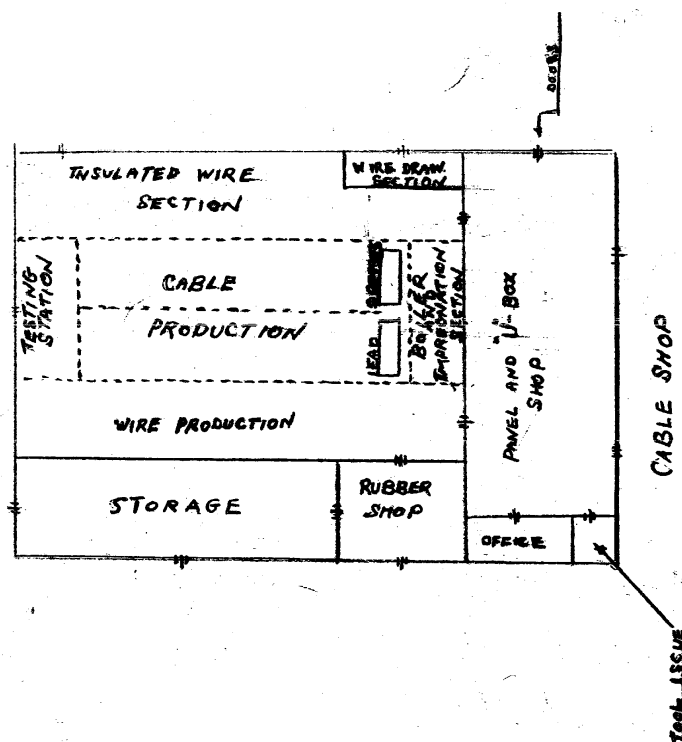
Point 9 of Page 10, Floorplan Layout Electro-Motor Shop



SCALE: 1CM = 10 m

SECRET

Points 10 b, c, and d of Page 10 Floor Plan Layout of Cable Shop

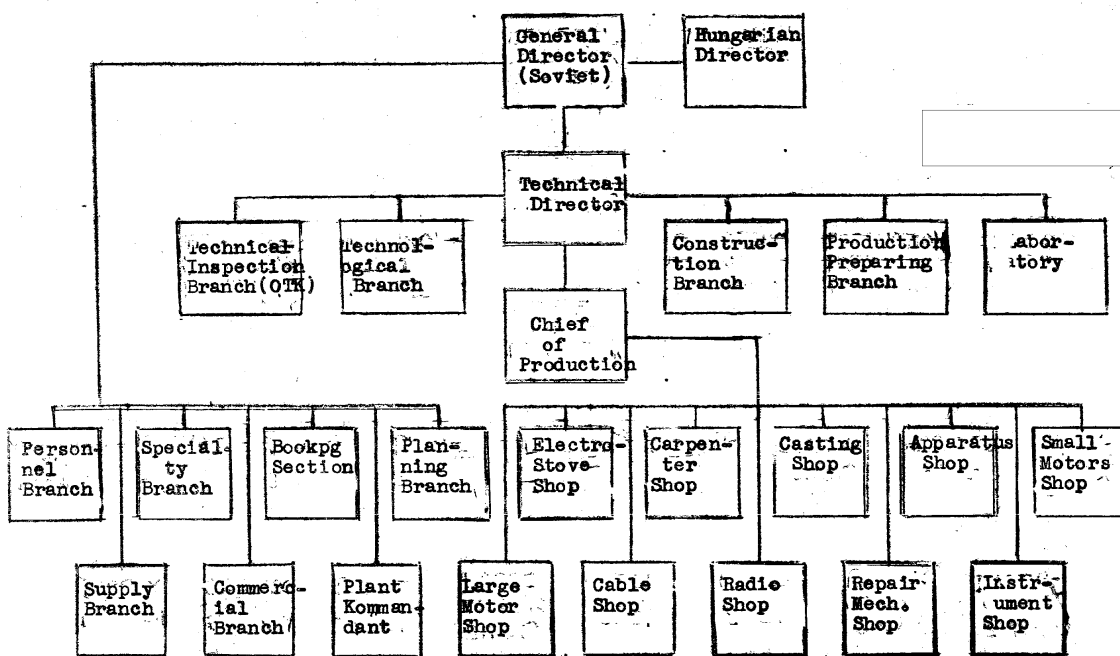


50X1

SECRET

SCALE: 1 CM = 10 M.

Organizational Chart of Budapest Electro-mechanical and Cable Factory



50X1

50X1

SECRET  
- 13 -

SECRET